

Saving taxes through course costs

Course costs can result in a significant **tax saving** upon commencement of professional life. It will particularly benefit students who have completed an apprenticeship or at least a 12-month training prior to their studies, who are studying a Masters course, completing a second degree, completing an integrated degree programme, completing studies in tandem with their career and are completing a doctorate.

The course costs include all costs immediately associated with the course, e.g. course/examination fees, semester fees, specialist literature, photocopies, work materials (e.g. computers, software), language classes, revision courses, private tutoring, meetings, excursions, travel expenses, accommodation expenses away from home, and interest for student loans.

As students generally earn little or no income, course costs might put them in debt. These losses are transferred over to the following year as so-called "losses carried forward" (*Verlustvortrag*) and are set off against the results of the corresponding year. Thus, the losses of several years of studying can be accumulated and can possibly lead to a tax reduce after the final exam. However, if any profit (income) is realized while studying, the tax office will set off former losses immediately, so that for income below the basic tax-free allowance, but above the recognized losses, the losses carried forward are ineffective. While the deadline for a volunteer tax return ends after four years, losses carried forward can still be asserted retroactively for the last seven years.

How it works: Students submit a tax return for each year of studying; for freelance or commercial income (compulsory assessment) no later than 31.7. of the following year. There is no limit for course costs deduction, so it is worth collecting receipts for these costs and prepare them for the audit by the tax office.

Unlike the aforementioned student groups, course costs for students completing their first degree (initial training) are only taken into account for the current calendar year, and only up to a set maximum amount of 6,000 euros per year. This only creates a tax benefit for income well above the basic tax-free allowance in the same calendar year. The basic tax-free allowance in 2025 is 12,096 euros and is regularly adjusted for inflation.

The following applies to all students: Those who receive a scholarship that is not only paid for living expenses, but also includes explicit course allowances (e.g. book allowance, foreign allowance, payment of course fees) must deduct these reimbursements from their course costs.

Tax returns are submitted to the local finance authority (*Finanzamt*). Those registered in Hamburg can find their tax office [here](#), all others [here](#). It is recommended - and even mandatory in the case of freelance or commercial income - to submit the tax return via the "online tax office" [ELSTER](#), which inserts all the data already available at the tax office into the tax return at the click of a mouse.

Advice on tax issues is offered in particular by [income tax assistance associations](#) (only for students without honors and commercial income), the [AStA of the University of Hamburg](#), and [tax consultants](#).

Prepared in cooperation with the advice on student tax issues of the AStA of the University of Hamburg. This info sheet makes no guarantee for completeness and does not replace tax counselling in individual cases. No liability or legal guarantees can be made for any of the information.

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